

**EXHIBIT 17 TO  
GOOGLE MOTION FOR  
SUMMARY JUDGMENT  
REDACTED VERSION**

# **GOOGLE LEADERSHIP DEVELOPMENT AND COMPENSATION COMMITTEE**

JANUARY 30, 2008

[DRAFT FOR DISCUSSION]



Google Confidential and Proprietary

DRAFT FOR DISCUSSION



MEMORANDUM

TO: GOOGLE LEADERSHIP DEVELOPMENT AND COMPENSATION COMMITTEE

FROM: SHONA BROWN LASZLO BOCK  
SVP, BUSINESS OPERATIONS VP, PEOPLE OPERATIONS

DATE: JANUARY 23, 2008

SUBJECT: AGENDA FOR JANUARY 30<sup>TH</sup> MEETING

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My proposed agenda for our discussion is as follows (see corresponding attachments):

1. Leadership & development update [**contents still being developed – pending year end results**]
2. Review Peer Group for competitive compensation and benefits assessments  
**SHONA:**
  - **You have reviewed this analysis previously and agreed with the Peer Group changes. We also incorporated your suggestions on talent competitor rankings.**
  - **Should we add Google's 2008 revenue and headcount forecasts to page 2 of this section (relevant rows of data are highlighted in yellow)?**
3. Review compensation and benefits philosophy  
**SHONA:**
  - **Do we want to include more detail in our discussion and tables on the benefits analysis beginning on page 2?**
  - **Should we add detail on benefits offered outside of the U.S.?**
4. Review Board and Executive ownership guidelines  
**SHONA:**
  - **This is a follow-up to the request made by the LDCC at the June meeting to address ownership requirements.**
  - **We have proposed ownership requirements [REDACTED] All executives have sufficient holdings to easily achieve these guidelines. Do the guidelines appear appropriate to you?**
5. Executive compensation
  - a. Review Chief Executive Officer compensation  
**SHONA:**
    - **Do we include the CEO compensation section in the LDCC book as we have in the past or send as a separate document?**
    - **We have continued to exclude Paul's compensation (Intel CEO) from the CEO analysis as we did last year.**
  - b. Review Founder compensation

## DRAFT FOR DISCUSSION

- c. Review competitive analysis of Executive Staff compensation and propose compensation adjustments

**SHONA:**

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- **Also, note that market comparisons are based on compensation data from survey sources. We have provided proxy data for relevant positions in the appendix due to small sample size, but we want to point out that the proxy data is generally consistent with our survey findings.**

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- 6. Cash incentive plans [**contents still being developed – pending year end results**]
  - a. Approve final 2007 cash incentive plan funding
  - b. Propose 2008 cash incentive plan funding
- 7. Equity incentive plans [**contents still being developed – pending year end results**]
  - a. Review 2007 equity usage
  - b. Update on [REDACTED] discretionary grants
  - c. Approve discretionary grant budget for SG&A critical talent
  - d. Discuss 2008 equity vehicle usage
  - e. Approve 2008 equity usage proposal
  - f. Proposed Proxy request for additional shares
- 8. Discuss Proxy statement disclosures [**to be provided by Legal**]
- 9. Administrative items [**contents still being developed**]
  - a. Review prior meeting minutes[**Legal**]
  - b. Approve proposed resolutions[**Legal**]
    - i. Prior meeting minutes
    - ii. Board and Executive ownership guidelines
    - iii. 2007 cash incentive plan funding
    - iv. 2008 equity usage proposal
    - v. Request for additional shares reserved for issuance
  - c. 2008 Committee calendar[**Compensation**]
  - d. Review Designee grant approval activity[**Compensation at year end**]

[PLACE HOLDER]

## **LEADERSHIP AND DEVELOPMENT UPDATE**

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Still in development – To be completed the first week of January

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### Agenda Items:

1. Scaling update
2. Org tree
3. CFO search
4. Hiring update
5. Eng resource management scaling
6. Retention update
7. Leadership development courses and programs update
8. Facebook rapid response update



## 2008 Compensation Peer Group Selection

Overview of Selection Criteria, Previous Peers and Suggested Peer Group Changes

Authors: Frank Wagner, Eric Schaffer, Tom Woo

### OVERVIEW

Three changes are recommended to Google's compensation peer group:

- 1.
- 2.
- 3.

### PEER GROUP SELECTION CRITERIA

In 2007 Google peers were required to meet at least three of the following five criteria:

- 1.
- 2.
- 3.
- 4.
- 5.

### ANALYSIS OF 2007 PEER GROUP AND PROPOSED CHANGES FOR 2008

[illegible]

Company	Peer Group Selection Criteria <sup>1</sup>						# of Criteria Met
	Industry	Talent Competitor <sup>2</sup>	Rev. (MM)	Market Cap (MM)	2-Yr Growth <sup>3</sup>		
					Rev.	Headcount	
Alkermes	Pharmaceuticals	Amgen	1,234	56,789	15%	10%	5
Amgen	Pharmaceuticals	Alkermes	987	45,678	12%	8%	4
Novartis	Pharmaceuticals	Roche	2,345	78,901	18%	12%	6
Roche	Pharmaceuticals	Novartis	1,876	67,890	14%	9%	5
AbbVie	Pharmaceuticals	Novartis	1,567	54,321	16%	11%	5
Novartis	Pharmaceuticals	AbbVie	1,234	43,210	13%	7%	4
Moderna	Biotechnology	Novartis	876	32,109	20%	15%	6
Novartis	Biotechnology	Moderna	654	21,098	17%	13%	5
Vertex	Pharmaceuticals	Novartis	543	19,876	19%	14%	5
Novartis	Pharmaceuticals	Vertex	432	18,765	16%	11%	4

Company does not meet criteria

- 2) [REDACTED]
- 3) [REDACTED]

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## ATTACHMENT A: 2006 and YTD 2007 Google New Hire Previous Company Analysis

Company	Talent Competitor Rank <sup>1,2</sup>	2006 & 2007 Total Google Hires <sup>3</sup>	Peer Group Status
			Current
			Proposed
			Current
			Current
			Current
			Current
			Current
			Current
			Current
			Current
			Current
			Current
			Proposed
			Current
			Current
			Current

1) Talent Competitor Rank and Total Hires figures exclude internal Google transfers and candidates sourced through staffing/temp agencies.

2)

as

3)

4)





## Compensation and Benefits Philosophies

### Discussion Document

Authors: Frank Wagner, Sue Wuthrich, Eric Schaffer  
Contributor: Jon Silverman

#### PURPOSE

1. Review overall compensation and benefits philosophies
2. Provide update on recent refinements to compensation philosophy
3. Review detailed benefits philosophy

#### OVERVIEW OF COMPENSATION AND BENEFITS PHILOSOPHY

##### General Rewards Philosophy

Our general rewards (compensation and benefits) philosophy is to deliver rewards in ways that support three primary business objectives:

1. Attract and retain the world's best talent
2. Support Google's culture of innovation and performance
3. Align employee interests with shareholder interests in the overall success of the company

##### Compensation Philosophy

To achieve our rewards objectives, our compensation programs differentiate pay exponentially based on individual employee performance and more broadly share the upside and downside of company performance. This philosophy applies to all our employees, with increasing proportions of "leveraged" or "at-risk" compensation with increasing levels of leadership and responsibility.

##### Benefits Philosophy

Our benefits philosophy is to deliver market-leading benefits to our employees for three key business reasons:

1. To provide a level of benefits that attracts and retains the world's best talent
2. To help balance Googlers' busy lives, allowing them to focus energy on what they love to do
3. To provide offerings to Googlers that have a high perceived value
  - Economies of scale and collective bargaining allow Google to source offerings at a lower cost than typically available to Googlers
  - Google delivers many offerings using tax efficient means

#### REFINEMENTS TO COMPENSATION PHILOSOPHY

##### Pay Positioning Relative to Market

The following table summarizes Google's intended compensation positioning against the market (this philosophy remains unchanged since last reported to the Committee):

Employee Job Category	Base Salary %ile	Target Total Cash %ile	Target Equity %ile

Our incentive programs are structured such that actual compensation realized should exceed target when either:

1. The employee performs above expectations, or
2. The company performs above expectations

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Target pay positions are evaluated annually and may vary for certain jobs to reflect the degree to which the Company is able to attract and retain desired talent.

Note that we will review our long-term retention policies in the first quarter of 2008 for presentation at a later LDCC meeting.

### Comparative Framework for Assessing Market Benchmarks

We analyze market pay rates annually using the most relevant published survey sources available as well as SEC public filings for all direct pay elements (e.g., salary, cash incentives, equity). As appropriate, we make adjustments to Google's pay practices to reflect any market changes to maintain desired market alignment. Specifically, we analyze pay data that reflect the following relevant labor markets at the time:

- 
- 
- 

We also test the quality of the survey market data by comparing survey data to previous compensation data of recently hired employees for each position.

## DETAILED BENEFITS PHILOSOPHY

### Programs Offered

To support our benefits philosophy, Google has a number of offerings that can be broadly categorized into three groups:

Benefits Category	Concept	Sample Offerings (not all benefits available in all locations)
Core Programs	Health and retirement programs	<ul style="list-style-type: none"> <li>• Health Insurance</li> <li>• Retirement Plan – Defined Contribution</li> <li>• Time Off Programs – Vacation, Holidays, Leaves</li> <li>• Tax Efficient Savings Plans (e.g., Pre-Tax Spending Accounts)</li> </ul>
Secure Foundation Programs	Coverage against certain catastrophic events	<ul style="list-style-type: none"> <li>• Life Insurance</li> <li>• Short-Term Disability</li> <li>• Long-Term Disability</li> <li>• Business Travel Accident Insurance</li> </ul>
Google Perks	A set of innovative and unique non-cash benefits that increase employee's quality of life and productivity	<ul style="list-style-type: none"> <li>• Wellness Programs (e.g., On-Site Physicians, Massage Program<sup>1</sup>, On-Site Gyms)</li> <li>• Personal Convenience (e.g., Meals, Laundry, Oil Change<sup>1</sup>)</li> <li>• Family Programs (e.g., Child Care<sup>1</sup>, Maternity/Parental Leaves)</li> <li>• Continuing Education (e.g., Tuition Reimbursement, Authors@google)</li> <li>• Community Involvement (e.g., Gift Matching, Annual Trip, TGIF)</li> <li>• Google Green (e.g., Fuel Efficient Car Program, Local Shuttle Service)</li> </ul>

1) These perks require an employee contribution.

### Benefits and Perks Eligibility

Google designs benefits programs by balancing broad eligibility, which supports Google's egalitarian culture, with country-specific competitiveness.

When designing a Core Program or Secure Foundation Program offering, we typically focus on offering this benefit to all Googlers. The magnitude of the benefit will be driven by local market conditions.

When designing Google Perks, we focus on the needs of local Googlers and the employment density for a given office. This allows us to focus funds for higher fixed-cost program components where they will have the highest level of business impact. All Google Perks programs are customized and continually refined to most efficiently deliver perceived value (while maintaining target market positioning of our costs) to those who utilize the services.

### Positioning Relative to Market

Google intends to align its benefits programs against the market as follows:

Benefits Category	Target Market Comparison	Current Market Positioning

### Comparative Framework for Assessing Market Benchmarks

We analyze market data using a variety of methods including competitive market research of common plan provisions and relative value measures from published and specialized survey sources.

When comparing ourselves to the market, we most heavily weigh competitive data from our Peer Group.

### Decision-Making Authority

We have established a Benefits Committee which consists of Shona Brown (SVP, Business Operations), Laszlo Bock (VP, People Operations), and Sue Wuthrich (Director Benefits). The Benefits Committee is deemed a fiduciary of the plan and is responsible for the day-to-day administration of the plan, including hiring record keepers, consultants, third party administrators, investment managers, accountants, etc. Fiduciaries are responsible for acting prudently, following the terms of the written plan documentation and ensuring plans are consistent with local statutory requirements.

### Cost Efficiencies

To ensure both cost and services are within Google standards, we conduct regular Request for Quotations (RFQs). As discussed above, we regularly compare our cost basis to competitive market rates and published surveys.



## Director Stock Ownership Requirements

Authors: Frank Wagner, Eric Schaffer, Tom Woo

### BACKGROUND AND MARKET ANALYSIS

The LDCC requested during its June 12, 2007 meeting that Google research market Director equity ownership requirement practices and, if necessary, recommend changes to Google's requirements.

The table below details Peer and Google practices:

Company	Requirement Expressed As	Time to Achieve	Implied Value of Requirement	Equivalent Google Shares at \$700.00

\*\* Value not disclosed.

1) Guideline values for companies that express ownership requirements as a multiple of annual retainer have been estimated based on proxy disclosed compensation levels.

### RECOMMENDATION

Given that Google's current Director stock ownership levels are highly competitive, no changes are recommended to Google's requirements at this time.



## Executive Stock Ownership Requirements

### Overview of Market Practices and Proposed Changes to Ownership Requirements

Authors: Frank Wagner, Eric Schaffer, Tom Woo

#### PURPOSE

The LDCC requested during its June 12, 2007 meeting that Google research market equity ownership guideline practices and, if necessary, recommend changes to Google's requirements.

The table below summarizes competitive market practices:

Market Data	CEO <sup>1</sup>		SVP <sup>2</sup>		VP2 <sup>3</sup>		VP1 <sup>3</sup>		Years to Achieve Compliance
	Required Value of Equity Holdings <sup>4</sup> (000s)	Equivalent Google Shares at \$700 Share Price	Required Value of Equity Holdings <sup>4</sup> (000s)	Equivalent Google Shares at \$700 Share Price	Required Value of Equity Holdings <sup>4</sup> (000s)	Equivalent Google Shares at \$700 Share Price	Required Value of Equity Holdings <sup>4</sup> (000s)	Equivalent Google Shares at \$700 Share Price	

- 1) Ownership requirements for peer group CEOs.
- 2) Ownership requirements for peer group Named Executive Officers, excluding the CEO.
- 3) Market data for similar positions from Equilar 2006 Executive Stock Ownership Guidelines Report.
- 4) Where requirements were expressed as a multiple of base salary, they were converted to a dollar value based on compensation disclosed in the proxy.
- 5) Survey data was provided as market median and was converted to 25th, 75th and 90th percentiles based on the same ratios appearing in the SVP data. Median Google salary for the grade was used to develop required holding values from salary multiple data.

#### RECOMMENDATIONS

To (1) better align Google with market practices and (2) increase shareholder advisory services' (e.g., Institutional Shareholder Services, Glass-Lewis) perception of Google pay practices, we propose the following share ownership guidelines:

Google Level	Proposed Google Share Ownership Requirements			Market 75th Percentile		Google Grant Guidelines as a Multiple of Proposed Requirement	
	Number of Shares	Value of Requirement at \$700 Share Price	Years to Achieve Compliance	Required Value of Equity Holdings (000s)	Google Proposed as a Percent of Market Value	New Hire	Refresher Grant

Redacted - Not Responsive

Redacted - Not Responsive

[illegible]

1) Guideline value for companies that express ownership guidelines as a multiple of executive pay have been estimated based on proxy disclosed compensation levels.

DRAFT FOR DISCUSSION

## ATTACHMENT B

Guideline Category	Requirement (# of shares)	Executive	Title	After-tax Unvested Shares	Multiple of Guideline
Redacted					
Redacted					



## CEO Compensation Assessment

Authors: Frank Wagner, Eric Schaffer, Tom Woo

### OVERVIEW

Each year Google undertakes a review of its executive compensation practices to assess competitiveness to

# Redacted - Not Responsive

### METHODOLOGY

To identify relevant market practices, we analyzed non-founder CEO compensation of [REDACTED] high technology companies that were deemed appropriate peer comparables. Company details and selection criteria are shown in Attachment A.

### COMPETITIVE SUMMARY

The following summarizes our analyses of peer company proxy findings compared to Google's current CEO compensation levels.<sup>1,2</sup>

(Dollars in 000s)

Market Compensation	Base Salary	Total Cash Comp.	Total Direct Comp.	% Potential Ownership
Redacted				

\* Reflects Holiday Bonus paid to all Google employees.

#### Cash Compensation

# Redacted - Not Responsive

#### Long-term Incentives (LTI)

#### Total Ownership

<sup>1</sup> Peer data reflects last fiscal year proxy filings. See Attachment B for a detailed summary of findings.

<sup>2</sup> Peer data has been annualized as appropriate.



Company	Reported Fiscal Year	Revenues (MM)	Market Cap (MM)	Headcount	2-Year Growth		Google Talent Competitor Rank <sup>1</sup>
					Revenue	Headcount	

GOOG-HIGH-TECH-00223697

**ATTACHMENT B****Detailed Proxy Analyses – Total Direct Compensation**

(Dollars in 000s)

Company	Position Title	Incumbent	LFY Annualized Base Salary	LFY Annualized Total Cash	Annualized Restricted Stock Value <sup>1</sup>	Annualized Option Value <sup>2</sup>	Annualized LTIP Value <sup>3</sup>	Total Direct Compensation
[Redacted]			[Redacted]					
			[Redacted]					
Google			Redacted					

*\* Reflects Holiday Bonus paid to all Google employees.*

- 1) Stock options valued using the Risk-Adjusted Present Value methodology as detailed in Attachment D.  
 2) Restricted stock valued at face value on grant date.  
 3) LTIP value includes grant date present value of cash based long-term incentive plans and performance share unit plans.

**Note:**

- Percentiles and averages shown include zeros

**Detailed Proxy Analyses – Total Potential Ownership**

Company	Position Title	Incumbent	Shares	Options	Total Potential Ownership	Total Shares Outstanding	% Potential Ownership
[Redacted]			[Redacted]				
Google			Redacted				

**Notes:**

- Percentiles and averages shown include zeros
- Peer Percent Potential Ownership reflects holdings after the most recent fiscal year end. Google reflects as of 10/30/2007

**ATTACHMENT C****Detailed Paper Gain Analysis on Total Equity Granted**

Google Incumbent	Tenure (years)	Total Equity Granted	Wtd. Avg. Grant Price	Approximate Gain on Total Equity Granted as of 12/31/2007			
				Total Current Holdings	Total Unvested Shares	Total Gain on Current Holdings (MM)	Unvested Paper Gains (MM)
Redacted							

Note:

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**Redacted**

## Assumptions:

- Paper gain assumes stock price of \$636.24, which reflects the average Q4 2007 closing price
- “Total Equity Granted” includes all shares ever granted as compensation, including shares that have since been transferred or sold; does not include shares received as distributions from outside investments
- “Total Current Holdings” is net of sales and includes all shares from all sources. Data is current as of most recent Form 4 filing (10/30/2007)

**ATTACHMENT D****Risk-Adjusted Present Value Methodology (to Value Stock Options)**

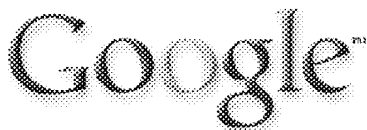
Criteria	Assumption	Rationale
3. Term of options	5 years	Typical length of time employees hold options
4. Discount rate		expected rate of return (i.e., risk-adjusted rate)

**Example Peer Company Stock Option Calculation**

$$\frac{(\text{Grant price} \times [1 + \text{growth rate}]^n) - \text{Grant price}}{(1 + \text{discount rate})^n}$$

$$\frac{(\$25.00 \times [1 + 15\%]^{5 \text{ years}}) - \$25.00}{(1 + 15\%)^{5 \text{ years}}}$$

= \$12.57 per option (50% of face value)



## Founder Compensation Assessment

Authors: Frank Wagner, Eric Schaffer, Tom Woo

### OVERVIEW

Each year Google undertakes a review of its executive compensation practices to assess its competitiveness.

# Redacted

### METHODOLOGY

To identify relevant market practices, we analyzed the compensation of founders with operational roles from high technology companies deemed appropriate peer comparables. Company details and selection criteria are shown in Attachment A.

### COMPETITIVE SUMMARY

The following summarizes our analyses of peer company proxy findings compared to Google's compensation levels.<sup>1,2</sup>

(Dollars in 000s)

Market Compensation	Base Salary	Total Cash Comp.	Total Direct Comp.	% Potential Ownership
Redacted				

\* Reflects Holiday Bonus paid to all Google employees.

#### Cash Compensation

# Redacted

#### Total Direct Compensation (Total Cash + Long-term Incentives)

#### Total Ownership

<sup>1</sup> See Attachment B for a detailed summary of proxy findings.

<sup>2</sup> Google total ownership positions shown are based on current equity holdings as shown in Attachment C.

Company	Reported Fiscal Year	Revenues (MM)	Market Cap (MM)	Headcount	2-Year Growth		Google Talent Competitor Rank
					Revenue	Headcount	
Google 2006							
Google 2007							
Google 2008 (projected)							

GOOG-HIGH-TECH-00223702

**Attachment B****Detailed Proxy Analyses – Total Direct Compensation**  
(Founders with operational roles)

(Dollars in 000s)

Company	Position Title	Incumbent	LFY Annualized Base Salary	LFY Annualized Total Cash	Annualized Restricted Stock Value	Annualized Option Value	Annualized LTIP Value	Total Direct Comp.
[REDACTED]								
50th percentile			[REDACTED]					
Average			[REDACTED]					
Google			[REDACTED]					
Google			[REDACTED]					

**Redacted**

\* Reflects Holiday Bonus paid to all Google employees.

- 1) Stock options valued using the Risk-Adjusted Present Value methodology as detailed in Attachment D.
- 2) Restricted stock valued at face value on grant date.
- 3) LTIP value includes grant date present value of cash based long-term incentive plans and performance share unit plans.
- 4) In addition to Chairman of the Board, Michael Dell assumed duties as the CEO on January 31, 2007.

**Note:**

- Compensation shown for Google represents holiday bonuses paid equally to all full-time employees
- Percentiles and averages shown include zeros
- [REDACTED]

He announced a two-year plan for his transition out of a day-to-day role

**Detailed Proxy Analyses – Total Potential Ownership**  
(Founders with operational roles)

Company	Position Title	Incumbent	Shares	Options	Total Potential Ownership	Total Shares Outstanding	% Potential Ownership
[REDACTED]							
50th percentile			[REDACTED]				
Average			[REDACTED]				
Google			[REDACTED]				
Google			[REDACTED]				

**Redacted****Note:**

- Percentiles and averages shown include zeros
- Peer Percent Potential Ownership reflects holdings after the most recent fiscal year end. Google is as of 11/1/2007
- [REDACTED]

**Attachment C****Detailed Paper Gain Analysis on Total Equity Granted**

Google Incumbent	Tenure (years)	Total Equity Granted	Wtd. Avg. Grant Price	Approximate Gain on Total Equity Granted as of 12/31/2007			
				Total Current Holdings	Total Unvested Shares	Total Gain on Current Holdings (MM)	Unvested Paper Gains (MM)
Redacted							

**Assumptions:**

- Paper gain assumes stock price of \$636.24, which reflects the average Q4 2007 closing price
- “Total Equity Granted” includes all shares ever granted as compensation, including shares that have since been transferred or sold; does not include shares received as distributions from outside investments
- “Total Current Holdings” includes all shares from all sources and reflects recent sales. Data is current as of most recent Form 4 filings (11/1/2007)





## Executive Staff Compensation Assessment

Authors: Frank Wagner, Eric Schaffer, Crystal Millican  
Contributor: Tom Woo

### OVERVIEW

### METHODOLOGY

To identify relevant market practices, we analyzed custom cuts of survey compensation data for relevant peer companies and other similarly sized companies. Peer companies and survey job matches are consistent with our previous executive compensation methodologies.

### EMG COMPETITIVE SUMMARY

Based on our competitive assessment, EMG pay is generally aligned with our compensation philosophy. The chart below details the percentage of EMG members with compensation below, at or above our intended target market pay positioning. Also, our target pay positioning for each element of compensation is shown in the row shaded in grey.

Distribution of EMG Compensation Relative to Target Market Pay Positioning <sup>1</sup>				
Elements of Compensation	2008 Base Salary	2008 Target Total Cash	2008 Estimated Actual Total Cash	2007 Equity <sup>2</sup> (one time awards annualized)
Google's <b>Target</b> Pay Positioning Relative to Market Practice				
% of EMG Below Target More than one quartile below target positioning				
% of EMG Slightly Below Target Less than one quartile below target positioning				
% of EMG At Target				
% of EMG Above Target				

**Redacted**

Options are valued based on their fair market value on the date of grant. GSUs are valued based on Google's stock price on the date of grant.

3) A +/- 5% interval around the 75th percentile is used to reflect target pay positioning for analyses in this section.

**DRAFT FOR DISCUSSION**

The following is a detailed summary of how each EMG member's compensation compares to the competitive market:

Position	Incumbent	Google Market Percentile Rank			
		Current Base Salary	2008 Target Total Cash	2008 Estimated Actual Total Cash <sup>1</sup>	2007 Equity <sup>2</sup> <small>(one time awards annualized)</small>
Redacted					

= compensation more than one quartile below target

- 1) 2008 estimated actual total cash reflects the sum of 2008 base salaries and projected 2008 actual bonuses equal to 2.16x target bonuses based on expected individual and company performance.
- 2) Includes 2007 refresher equity as well as annualized one time special GSU awards. Options are valued based on their fair market value on the date of grant. GSUs are valued based on Google's stock price on the date of grant.
- 3) Supplemental proxy data for these incumbents is available in Attachment B.

**Redacted**

**Note:**

- See Attachment A for additional market detail on each element of compensation
- See Attachment B for proxy detail for relevant EMG members

**ATTACHMENT A****Market Comparables Analyzed**

- 1.
- 2.
- 3.

**Market Compensation Assessment****CURRENT BASE SALARY**

(Dollars in 000s)

Position	Incumbent	Google		Market Data		
		Current Base Salary	Percentile Rank	25th	50th	75th

# Redacted

☐ = compensation more than one quartile below target

1) Urs Hoelzle has elected to receive a salary of \$1 which is atypical for his position.

**2008 TARGET TOTAL CASH**

(Dollars in 000s)

Position	Incumbent	Google		Market Data		
		2008 Target Total Cash	% Rank	50th	75th	90th

# Redacted

☐ = compensation more than one quartile below target

1) Urs Hoelzle has historically elected to forego his annual bonus.

DRAFT FOR DISCUSSION

## 2008 ESTIMATED ACTUAL TOTAL CASH

(Dollars in 000s)

Position	Incumbent	Google		Market Data		
		2008 Estimated Actual Total Cash <sup>1</sup>	% Rank	50th	75th	90th

# Redacted

1) 2008 estimated actual total cash reflects the sum of 2008 base salaries and projected 2008 actual bonuses equal to 2.16x target bonuses based on expected individual and company performance.

Redacted

## 2007 EQUITY

(Dollars in 000s)

Position	Incumbent	Google		Market Data		
		2007 Equity <small>(one time awards annualized)</small>	% Rank	50th	75th	90th

# Redacted

1) Includes 2007 refresher equity as well as annualized one time special GSU awards. Options are valued based on their fair market value on the date of grant. GSUs are valued based on Google's stock price on the date of grant.

2) Market equity data for Shona Brown's position is not directly available from survey sources. Market equity for her position is estimated based on internal equity.

Redacted

## (Dollars in 000s)

Google Redacted

## (Dollars in 000s)

Google Redacted

## (Dollars in 000s)

Google Redacted

- GOOG-HIGH-TECH-00223709

[PLACE HOLDER]

## **CASH INCENTIVE PLANS**

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Still in development – To be completed the first week of January

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Agenda Items:

1. Approve final 2007 cash incentive plan funding
  - a. Company multiplier
  - b. Pool amount for each plan (executive, company, and sales)
2. Propose 2008 cash incentive plan funding

[PLACE HOLDER]

## **EQUITY INCENTIVE PLANS**

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Still in development – To be completed the first week of January

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### Agenda Items:

1. Review 2007 equity usage
2. Update on [REDACTED] / discretionary grants
3. Approve discretionary grant budget for SG&A critical talent
4. Discuss 2008 equity vehicle usage
5. Approve 2008 equity usage proposal
6. Proposed proxy request for additional shares

[PLACE HOLDER]

## **DISCUSS PROXY STATEMENT DISCLOSURES**

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Still in development – Legal filed a statement with SEC on December 21, 2007. We are still awaiting details.

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### Agenda Items:

1. Compensation Discussion & Analysis
2. SEC inquiry update



[PLACE HOLDER]

## **ADMINISTRATIVE ITEMS**

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Still in development – coordinating with Legal

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### Agenda Items:

1. Review prior meeting minutes
2. Approve proposed resolutions
  - a. Prior meeting minutes
  - b. Board and Executive ownership guidelines
  - c. 2007 cash incentive plan funding
  - d. 2008 equity usage proposal
  - e. Request for additional shares reserved for issuance
3. 2008 Committee calendar
4. Review Designee grant approval activity